

ENGROSSED SENATE BILL No. 480

DIGEST OF SB 480 (Updated April 9, 2007 8:51 pm - DI 103)

Citations Affected: IC 5-10.4; IC 6-3; IC 10-17; IC 20-20; IC 20-28; IC 21-12; IC 21-13; IC 21-14; IC 25-1; noncode.

Synopsis: Veterans' benefits. Grants, under certain conditions, up to six years of service credit in the teachers' retirement fund for a member who served on active duty before February 1, 1955. Exempts active duty military pay earned by members of the National Guard and Reserves from the individual income tax. Phases in over eight years the deduction of all military pay, retirement benefits, and survivor's (Continued next page)

Effective: July 1, 2007; January 1, 2008.

Wyss, Rogers, Delph, Breaux, Simpson, Lewis, Boots, Merritt, Kruse, Paul, Becker, Heinold, Drozda, Landske, Alting

(HOUSE SPONSORS — RESKE, MCCLAIN, GIAQUINTA, NOE)

January 18, 2007, read first time and referred to Committee on Homeland Security, Transportation & Veterans Affairs.

February 8, 2007, amended, reported favorably — Do Pass; reassigned to Committee on

Appropriations.

February 15, 2007, amended, reported favorably — Do Pass.
February 19, 2007, read second time, ordered engrossed. Engrossed.
February 20, 2007, read third time, passed. Yeas 47, nays 0.

HOUSE ACTION
March 13, 2007, read first time and referred to Committee on Veterans Affairs and Public

April 3, 2007, amended, reported — Do Pass; recommitted to Committee on Ways and Means pursuant to Rule 127.

April 5, 2007, reported — Do Pass.

April 9, 2007, read second time, amended, ordered engrossed.











Digest Continued

benefits from the individual income tax. Provides that a taxpayer may not claim both the new exemption and the existing deduction for military income. Establishes employment criteria for employees of the Indiana department of veterans' affairs (department) and local service officers. Provides that a power of attorney for prosecution of veterans' benefits runs to an agency or individual authorized by the department. Provides various forms of tuition assistance at state educational institutions for certain active duty military personnel and their dependents and certain veterans. Provides that veterans and children of veterans who qualify for tuition exemptions at state universities but will attend private institutions of higher learning are entitled to freedom of choice grants. Expands the high school diploma program for eligible veterans to include veterans of the Korean and Vietnam conflicts. Authorizes the: (1) advisory board of the division of professional standards of the department of education; and (2) various professional licensing boards; to adopt rules to expedite the licensure of individuals whose spouses are stationed on active duty in Indiana. Makes conforming amendments.





First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 480

A BILL FOR AN ACT to amend the Indiana Code concerning military affairs.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-10.4-4-8, AS AMENDED BY P.L.119-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This subsection applies to a member who retires before July 1, 1980. A member who had completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if before or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter.

(b) This subsection applies to a member who retires after June 30, 1980. A member who completed four (4) years of approved college teacher education before voluntary or involuntary induction into

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military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if the following conditions are met:

- (1) The member has an honorable discharge.
- (2) Except as provided in subsection (e), the member returns to active teaching service not later than eighteen (18) twenty-four (24) months after the completion of active military service.
- (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

- (c) This subsection applies to a member who retires after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:
 - (1) The member has an honorable discharge.
 - (2) Except as provided in subsection (e), the member returns to a four (4) year approved college teacher training program not later than eighteen (18) twenty-four (24) months after the completion of active military service and subsequently completes that program.
 - (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(d) This subsection applies to a member who retires after May 1, 1991, and who is employed at a state institution of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate education before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following

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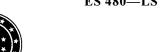


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1	conditions are met:
2	(1) The member received an honorable discharge.
3	(2) Except as provided in subsection (e), the member returns to
4	baccalaureate or post-baccalaureate education not later than
5	eighteen (18) twenty-four (24) months after completion of active
6	military service and subsequently completes that education.
7	(3) The member has at least ten (10) years of in-state service
8	credit.
9	The time served by a member in active military service for the length
10	of active service in the hostilities and the necessary demobilization is
11	not subject to the one-seventh rule set forth in section 7 of this chapter.
12	However, not more than six (6) years of military service credit may be
13	granted under this subsection.
14	(e) The board shall extend the eighteen (18) twenty-four (24)
15	month deadline contained in subsection $(b)(2)$, $(c)(2)$, or $(d)(2)$ if the
16	board determines that an illness, an injury, or a disability related to the
17	member's military service prevented the member from returning to
18	active teaching service or to a teacher education program not later than
19	eighteen (18) twenty-four (24) months after the member's discharge
20	from military service. However, the board may not extend the deadline
21	beyond thirty (30) months after the member's discharge.
22	(f) If a member retires and the board subsequently determines that
23	the member is entitled to additional service credit due to the extension
24	of a deadline under subsection (e), the board shall recompute the
25	member's benefit. However, the additional service credit may be used
26	only in the computation of benefits to be paid after the date of the
27	board's determination, and the member is not entitled to a
28	recomputation of benefits received before the date of the board's
29	determination.
30	(g) Notwithstanding any provision of this section, a member is
31	entitled to military service credit and benefits in the amount and to the
32	extent required by the federal Uniformed Services Employment and
33	Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later
34	amendments.
35	(h) Subject to this section, an active member may purchase not more
36	than two (2) years of service credit for the member's service on active
37	duty in the armed services if the member meets the following
38	conditions:

(1) The member has at least one (1) year of credited service in the

(2) The member serves on active duty in the armed services of the

United States for at least six (6) months.



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1	(3) The member receives an honorable discharge from the armed	
2	services.	
3	(4) Before the member retires, the member makes contributions	
4	to the fund as follows:	
5	(A) Contributions that are equal to the product of:	
6	(i) the member's salary at the time the member actually	
7	makes a contribution for the service credit;	
8	(ii) a rate, determined by the actuary of the fund, that is	
9	based on the age of the member at the time the member	
10	actually makes a contribution for service credit and	
11	computed to result in a contribution amount that	
12	approximates the actuarial present value of the benefit	
13	attributable to the service credit purchased; and	
14	(iii) the number of years of service credit the member	
15	intends to purchase.	
16	(B) Contributions for any accrued interest, at a rate determined	
17	by the actuary of the fund, for the period from the member's	
18	initial membership in the fund to the date payment is made by	
19	the member.	
20	However, a member is entitled to purchase service credit under this	
21	subsection only to the extent that service credit is not granted for that	
22	time under another provision of this section. At least ten (10) years of	
23	service in Indiana is required before a member may receive a benefit	
24	based on service credits purchased under this section. A member who	
25	terminates employment before satisfying the eligibility requirements	
26	necessary to receive a monthly allowance or receives a monthly	
27	allowance for the same service from another tax supported public	
28	employee retirement plan other than under the federal Social Security	
29	Act may withdraw the purchase amount plus accumulated interest after	
30	submitting a properly completed application for a refund to the fund.	
31	(i) The following apply to the purchase of service credit under	
32	subsection (h):	
33	(1) The board may allow a member to make periodic payments of	
34	the contributions required for the purchase of the service credit.	
35	The board shall determine the length of the period during which	
36	the payments must be made.	
37	(2) The board may deny an application for the purchase of service	
38	credit if the purchase would exceed the limitations under Section	
39	415 of the Internal Revenue Code.	
40	(3) A member may not claim the service credit for purposes of	

determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service



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1	credit.	
2	(j) This subsection applies to a member who retires after June 30,	
3	2006. A member may not receive credit under this section for service	
4	for which the member receives service credit under the terms of a	
5	military or another governmental retirement plan.	
6	(k) Notwithstanding any provision of this section, a member	
7	who:	
8	(1) has at least ten (10) years of in-state teaching service;	
9	(2) served on active duty in the armed forces of the United	_
10	States before February 1, 1955;	4
11	(3) received an honorable discharge;	
12	(4) is not entitled to receive a pension for service in the armed	
13	forces of the United States; and	
14	(5) is not entitled to military service credit under subsections	
15	(a) through (g) for purposes of determining eligibility for or	
16	the computation of benefits under this chapter;	4
17	is entitled to service credit in an amount equal to the duration of	J
18	the member's military service. However, not more than six (6)	
19	years of service credit may be granted under this subsection. The	
20	service credit may be used only in the computation of benefits to be	
21	paid after June 30, 2007, and only after the board determines that	
22	the member is eligible for the service credit.	
23	SECTION 2. IC 6-3-1-2.5 IS ADDED TO THE INDIANA CODE	
24	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE	
25	JANUARY 1, 2008]: Sec. 2.5. "Armed forces of the United States"	
26	has the meaning set forth in IC 5-9-4-3.	
27	SECTION 3. IC 6-3-1-2.7 IS ADDED TO THE INDIANA CODE	- 1
28	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE	N.
29	JANUARY 1, 2008]: Sec. 2.7. "National Guard" has the meaning	
30	set forth in IC 5-9-4-4.	
31	SECTION 4. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006,	
32	SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24,	
33	IS CORRECTED AND AMENDED TO READ AS FOLLOWS	
34	[EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. When used in this article,	
35	the term "adjusted gross income" shall mean the following:	
36	(a) In the case of all individuals, "adjusted gross income" (as	
37	defined in Section 62 of the Internal Revenue Code), modified as	
38	follows:	
39	(1) Subtract income that is exempt from taxation under this article	
40	by the Constitution and statutes of the United States.	
41	(2) Add an amount equal to any deduction or deductions allowed	
42	or allowable pursuant to Section 62 of the Internal Revenue Code	



1	for taxes based on or measured by income and levied at the state	
2	level by any state of the United States.	
3	(3) Subtract one thousand dollars (\$1,000), or in the case of a	
4	joint return filed by a husband and wife, subtract for each spouse	
5	one thousand dollars (\$1,000).	
6	(4) Subtract one thousand dollars (\$1,000) for:	
7	(A) each of the exemptions provided by Section 151(c) of the	
8	Internal Revenue Code;	
9	(B) each additional amount allowable under Section 63(f) of	
10	the Internal Revenue Code; and	
11	(C) the spouse of the taxpayer if a separate return is made by	
12	the taxpayer and if the spouse, for the calendar year in which	
13	the taxable year of the taxpayer begins, has no gross income	
14	and is not the dependent of another taxpayer.	
15	(5) Subtract:	
16	(A) for taxable years beginning after December 31, 2004, one	
17	thousand five hundred dollars (\$1,500) for each of the	
18	exemptions allowed under Section 151(c)(1)(B) of the Internal	
19	Revenue Code for taxable years beginning after December 31,	
20	1996 (as effective January 1, 2004); and	
21	(B) five hundred dollars (\$500) for each additional amount	
22	allowable under Section 63(f)(1) of the Internal Revenue Code	
23	if the adjusted gross income of the taxpayer, or the taxpayer	
24	and the taxpayer's spouse in the case of a joint return, is less	
25	than forty thousand dollars (\$40,000).	
26	This amount is in addition to the amount subtracted under	
27	subdivision (4).	
28	(6) Subtract an amount equal to the lesser of:	
29	(A) that part of the individual's adjusted gross income (as	
30	defined in Section 62 of the Internal Revenue Code) for that	
31	taxable year that is subject to a tax that is imposed by a	
32	political subdivision of another state and that is imposed on or	
33	measured by income; or	
34	(B) two thousand dollars (\$2,000).	
35	(7) Add an amount equal to the total capital gain portion of a	
36	lump sum distribution (as defined in Section 402(e)(4)(D) of the	
37	Internal Revenue Code) if the lump sum distribution is received	
38	by the individual during the taxable year and if the capital gain	
39	portion of the distribution is taxed in the manner provided in	
40	Section 402 of the Internal Revenue Code.	
41	(8) Subtract any amounts included in federal adjusted gross	
42	income under Section 111 of the Internal Revenue Code as a	



1	recovery of items previously deducted as an itemized deduction
2	from adjusted gross income.
3	(9) Subtract any amounts included in federal adjusted gross
4	income under the Internal Revenue Code which amounts were
5	received by the individual as supplemental railroad retirement
6	annuities under 45 U.S.C. 231 and which are not deductible under
7	subdivision (1).
8	(10) Add an amount equal to the deduction allowed under Section
9	221 of the Internal Revenue Code for married couples filing joint
10	returns if the taxable year began before January 1, 1987.
11	(11) Add an amount equal to the interest excluded from federal
12	gross income by the individual for the taxable year under Section
13	128 of the Internal Revenue Code if the taxable year began before
14	January 1, 1985.
15	(12) Subtract an amount equal to the amount of federal Social
16	Security and Railroad Retirement benefits included in a taxpayer's
17	federal gross income by Section 86 of the Internal Revenue Code.
18	(13) In the case of a nonresident taxpayer or a resident taxpayer
19	residing in Indiana for a period of less than the taxpayer's entire
20	taxable year, the total amount of the deductions allowed pursuant
21	to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
22	which bears the same ratio to the total as the taxpayer's income
23	taxable in Indiana bears to the taxpayer's total income.
24	(14) In the case of an individual who is a recipient of assistance
25	under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
26	subtract an amount equal to that portion of the individual's
27	adjusted gross income with respect to which the individual is not
28	allowed under federal law to retain an amount to pay state and
29	local income taxes.
30	(15) In the case of an eligible individual, subtract the amount of
31	a Holocaust victim's settlement payment included in the
32	individual's federal adjusted gross income.
33	(16) For taxable years beginning after December 31, 1999,
34	subtract an amount equal to the portion of any premiums paid
35	during the taxable year by the taxpayer for a qualified long term
36	care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
37	taxpayer's spouse, or both.
38	(17) Subtract an amount equal to the lesser of:
39	(A) for a taxable year:
40	(i) including any part of 2004, the amount determined under
41	subsection (f); and
42	(ii) beginning after December 31, 2004, two thousand five



1	hundred dollars (\$2,500); or
2	(B) the amount of property taxes that are paid during the
3	taxable year in Indiana by the individual on the individual's
4	principal place of residence.
5	(18) Subtract an amount equal to the amount of a September 11
6	terrorist attack settlement payment included in the individual's
7	federal adjusted gross income.
8	(19) Add or subtract the amount necessary to make the adjusted
9	gross income of any taxpayer that owns property for which bonus
10	depreciation was allowed in the current taxable year or in an
11	earlier taxable year equal to the amount of adjusted gross income
12	that would have been computed had an election not been made
13	under Section 168(k) of the Internal Revenue Code to apply bonus
14	depreciation to the property in the year that it was placed in
15	service.
16	(20) Add an amount equal to any deduction allowed under
17	Section 172 of the Internal Revenue Code.
18	(21) Add or subtract the amount necessary to make the adjusted
19	gross income of any taxpayer that placed Section 179 property (as
20	defined in Section 179 of the Internal Revenue Code) in service
21	in the current taxable year or in an earlier taxable year equal to
22	the amount of adjusted gross income that would have been
23	computed had an election for federal income tax purposes not
24	been made for the year in which the property was placed in
25	service to take deductions under Section 179 of the Internal
26	Revenue Code in a total amount exceeding twenty-five thousand
27	dollars (\$25,000).
28	(22) Add an amount equal to the amount that a taxpayer claimed
29	as a deduction for domestic production activities for the taxable
30	year under Section 199 of the Internal Revenue Code for federal
31	income tax purposes.
32	(23) Subtract an amount equal to the amount of the taxpayer's
33	qualified military income that was not excluded from the
34	taxpayer's gross income for federal income tax purposes
35	under Section 112 of the Internal Revenue Code.
36	(b) In the case of corporations, the same as "taxable income" (as
37	defined in Section 63 of the Internal Revenue Code) adjusted as
38	follows:
39	(1) Subtract income that is exempt from taxation under this article
40	by the Constitution and statutes of the United States.
41	(2) Add an amount equal to any deduction or deductions allowed
42	or allowable pursuant to Section 170 of the Internal Revenue



1	Code.
2	(3) Add an amount equal to any deduction or deductions allowed
3	or allowable pursuant to Section 63 of the Internal Revenue Code
4	for taxes based on or measured by income and levied at the state
5	level by any state of the United States.
6	(4) Subtract an amount equal to the amount included in the
7	corporation's taxable income under Section 78 of the Internal
8	Revenue Code.
9	(5) Add or subtract the amount necessary to make the adjusted
10	gross income of any taxpayer that owns property for which bonus
11	depreciation was allowed in the current taxable year or in an
12	earlier taxable year equal to the amount of adjusted gross income
13	that would have been computed had an election not been made
14	under Section 168(k) of the Internal Revenue Code to apply bonus
15	depreciation to the property in the year that it was placed in
16	service.
17	(6) Add an amount equal to any deduction allowed under Section
18	172 of the Internal Revenue Code.
19	(7) Add or subtract the amount necessary to make the adjusted
20	gross income of any taxpayer that placed Section 179 property (as
21	defined in Section 179 of the Internal Revenue Code) in service
22	in the current taxable year or in an earlier taxable year equal to
23	the amount of adjusted gross income that would have been
24	computed had an election for federal income tax purposes not
25	been made for the year in which the property was placed in
26	service to take deductions under Section 179 of the Internal
27	Revenue Code in a total amount exceeding twenty-five thousand
28	dollars (\$25,000).
29	(8) Add an amount equal to the amount that a taxpayer claimed as
30	a deduction for domestic production activities for the taxable year
31	under Section 199 of the Internal Revenue Code for federal
32	income tax purposes.
33	(9) Add to the extent required by IC 6-3-2-20 the amount of
34	intangible expenses (as defined in IC 6-3-2-20) and any directly
35	related intangible interest expenses (as defined in IC 6-3-2-20)
36	for the taxable year that reduced the corporation's taxable
37	income (as defined in Section 63 of the Internal Revenue Code)
38	for federal income tax purposes.
39	(c) In the case of life insurance companies (as defined in Section
40	816(a) of the Internal Revenue Code) that are organized under Indiana
41	law, the same as "life insurance company taxable income" (as defined

in Section 801 of the Internal Revenue Code), adjusted as follows:



1	(1) Subtract income that is exempt from taxation under this article
2	by the Constitution and statutes of the United States.
3	(2) Add an amount equal to any deduction allowed or allowable
4	under Section 170 of the Internal Revenue Code.
5	(3) Add an amount equal to a deduction allowed or allowable
6	under Section 805 or Section 831(c) of the Internal Revenue Code
7	for taxes based on or measured by income and levied at the state
8	level by any state.
9	(4) Subtract an amount equal to the amount included in the
10	company's taxable income under Section 78 of the Internal
11	Revenue Code.
12	(5) Add or subtract the amount necessary to make the adjusted
13	gross income of any taxpayer that owns property for which bonus
14	depreciation was allowed in the current taxable year or in an
15	earlier taxable year equal to the amount of adjusted gross income
16	that would have been computed had an election not been made
17	under Section 168(k) of the Internal Revenue Code to apply bonus
18	depreciation to the property in the year that it was placed in
19	service.
20	(6) Add an amount equal to any deduction allowed under Section
21	172 or Section 810 of the Internal Revenue Code.
22	(7) Add or subtract the amount necessary to make the adjusted
23	gross income of any taxpayer that placed Section 179 property (as
24	defined in Section 179 of the Internal Revenue Code) in service
25	in the current taxable year or in an earlier taxable year equal to
26	the amount of adjusted gross income that would have been
27	computed had an election for federal income tax purposes not
28	been made for the year in which the property was placed in
29	service to take deductions under Section 179 of the Internal
30	Revenue Code in a total amount exceeding twenty-five thousand
31	dollars (\$25,000).
32	(8) Add an amount equal to the amount that a taxpayer claimed as
33	a deduction for domestic production activities for the taxable year
34	under Section 199 of the Internal Revenue Code for federal
35	income tax purposes.
36	(d) In the case of insurance companies subject to tax under Section
37	831 of the Internal Revenue Code and organized under Indiana law, the
38	same as "taxable income" (as defined in Section 832 of the Internal
39	Revenue Code), adjusted as follows:
40	(1) Subtract income that is exempt from taxation under this article
41	by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable



1	under Section 170 of the Internal Revenue Code.	
2	(3) Add an amount equal to a deduction allowed or allowable	
3	under Section 805 or Section 831(c) of the Internal Revenue Code	
4	for taxes based on or measured by income and levied at the state	
5	level by any state.	
6	(4) Subtract an amount equal to the amount included in the	
7	company's taxable income under Section 78 of the Internal	
8	Revenue Code.	
9	(5) Add or subtract the amount necessary to make the adjusted	
10	gross income of any taxpayer that owns property for which bonus	4
11	depreciation was allowed in the current taxable year or in an	
12	earlier taxable year equal to the amount of adjusted gross income	
13	that would have been computed had an election not been made	
14	under Section 168(k) of the Internal Revenue Code to apply bonus	
15	depreciation to the property in the year that it was placed in	
16	service.	4
17	(6) Add an amount equal to any deduction allowed under Section	
18	172 of the Internal Revenue Code.	
19	(7) Add or subtract the amount necessary to make the adjusted	
20	gross income of any taxpayer that placed Section 179 property (as	
21	defined in Section 179 of the Internal Revenue Code) in service	
22	in the current taxable year or in an earlier taxable year equal to	
23	the amount of adjusted gross income that would have been	
24	computed had an election for federal income tax purposes not	
25	been made for the year in which the property was placed in	
26	service to take deductions under Section 179 of the Internal	_
27	Revenue Code in a total amount exceeding twenty-five thousand	
28	dollars (\$25,000).	\
29	(8) Add an amount equal to the amount that a taxpayer claimed as	
30	a deduction for domestic production activities for the taxable year	
31	under Section 199 of the Internal Revenue Code for federal	
32	income tax purposes.	
33	(e) In the case of trusts and estates, "taxable income" (as defined for	
34	trusts and estates in Section 641(b) of the Internal Revenue Code)	
35	adjusted as follows:	
36	(1) Subtract income that is exempt from taxation under this article	
37	by the Constitution and statutes of the United States.	
38	(2) Subtract an amount equal to the amount of a September 11	
39	terrorist attack settlement payment included in the federal	
40	adjusted gross income of the estate of a victim of the September	
41	11 terrorist attack or a trust to the extent the trust benefits a victim	



of the September 11 terrorist attack.

1	(3) Add or subtract the amount necessary to make the adjusted	
2	gross income of any taxpayer that owns property for which bonus	
3	depreciation was allowed in the current taxable year or in an	
4	earlier taxable year equal to the amount of adjusted gross income	
5	that would have been computed had an election not been made	
6	under Section 168(k) of the Internal Revenue Code to apply bonus	
7	depreciation to the property in the year that it was placed in	
8	service.	
9	(4) Add an amount equal to any deduction allowed under Section	
0	172 of the Internal Revenue Code.	
1	(5) Add or subtract the amount necessary to make the adjusted	
2	gross income of any taxpayer that placed Section 179 property (as	
.3	defined in Section 179 of the Internal Revenue Code) in service	
4	in the current taxable year or in an earlier taxable year equal to	
.5	the amount of adjusted gross income that would have been	
.6	computed had an election for federal income tax purposes not	
.7	been made for the year in which the property was placed in	
. 8	service to take deductions under Section 179 of the Internal	
9	Revenue Code in a total amount exceeding twenty-five thousand	
20	dollars (\$25,000).	
21	(6) Add an amount equal to the amount that a taxpayer claimed as	
22	a deduction for domestic production activities for the taxable year	
23	under Section 199 of the Internal Revenue Code for federal	
24	income tax purposes.	
25	(f) This subsection applies only to the extent that an individual paid	
26	property taxes in 2004 that were imposed for the March 1, 2002,	
27	assessment date or the January 15, 2003, assessment date. The	
28	maximum amount of the deduction under subsection (a)(17) is equal	
29	to the amount determined under STEP FIVE of the following formula:	
30	STEP ONE: Determine the amount of property taxes that the	
1	taxpayer paid after December 31, 2003, in the taxable year for	
32	property taxes imposed for the March 1, 2002, assessment date	
3	and the January 15, 2003, assessment date.	
54	STEP TWO: Determine the amount of property taxes that the	
55	taxpayer paid in the taxable year for the March 1, 2003,	
66	assessment date and the January 15, 2004, assessment date.	
57	STEP THREE: Determine the result of the STEP ONE amount	
8	divided by the STEP TWO amount.	
19	STEP FOUR: Multiply the STEP THREE amount by two	
10	thousand five hundred dollars (\$2,500).	
-1	STEP FIVE: Determine the sum of the STEP FOUR amount and	



two thousand five hundred dollars (\$2,500).

1	SECTION 5. IC 6-3-1-34 IS ADDED TO THE INDIANA CODE	
2	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE	
3	JANUARY 1, 2008]: Sec. 34. "Qualified military income" means	
4	wages paid to a member of:	
5	(1) a reserve component of the armed forces of the United	
6	States; or	
7	(2) the National Guard;	
8	for the member's full-time military service for a period that	
9	exceeds thirty (30) consecutive days in a calendar year.	
10	SECTION 6. IC 6-3-2-4 IS AMENDED TO READ AS FOLLOWS	1
11	[EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) Each taxable year, an	
12	individual, or the individual's surviving spouse, is entitled to an	
13	adjusted gross income tax deduction for the first two thousand dollars	
14	(\$2,000) of income, including retirement or survivor's benefits,	
15	received during the taxable year by the individual, or the individual's	
16	surviving spouse, for the individual's service in an active or reserve	(
17	component of the armed forces of the United States, including the	,
18	army, navy, air force, coast guard, marine corps, merchant marine,	
19	Indiana army national guard, or Indiana air national guard as follows:	
20	(1) For the taxable year beginning in 2008, the greater of five	
21	thousand dollars (\$5,000) or twelve and five-tenths percent	
22	(12.5%) of the individual's income described in this	
23 24	subsection.	
24 25	(2) For the taxable year beginning in 2009, the greater of five	
23 26	thousand dollars (\$5,000) or twenty-five percent (25%) of the individual's income described in this subsection.	
20 27	(3) For the taxable year beginning in 2010, the greater of five	•
28	thousand dollars (\$5,000) or thirty-seven and five-tenths	\
29	percent (37.5%) of the individual's income described in this	
30	subsection.	
31	(4) For the taxable year beginning in 2011, the greater of five	
32	thousand dollars (\$5,000) or fifty percent (50%) of the	
33	individual's income described in this subsection.	
34	(5) For the taxable year beginning in 2012, the greater of five	
35	thousand dollars (\$5,000) or sixty-two and five-tenths percent	
36	(62.5%) of the individual's income described in this	
37	subsection.	
38	(6) For the taxable year beginning in 2013, the greater of five	
39	thousand dollars (\$5,000) or seventy-five percent (75%) of the	
40	individual's income described in this subsection.	
4 1	(7) For the taxable year beginning in 2014, the greater of five	
12	thousand dollars (\$5,000) or eighty-seven and five-tenths	



1	percent (87.5%) of the individual's income described in this	
2	subsection.	
3	(8) For taxable years beginning in 2015 and thereafter, one	
4	hundred percent (100%) of the individual's income described	
5	in this subsection.	
6	However, a person who is less than sixty (60) years of age on the last	
7	day of the person's taxable year, is not, for that taxable year, entitled to	
8	a deduction under this section for retirement or survivor's benefits.	
9	(b) An individual whose qualified military income is subtracted	
10	from the individual's federal adjusted gross income under	
11	IC 6-3-1-3.5(a)(23) for Indiana individual income tax purposes is	,
12	not, for that taxable year, entitled to a deduction under this section	
13	for the individual's qualified military income.	
14	SECTION 7. IC 10-17-1-5 IS AMENDED TO READ AS	
15	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The position of	
16	director of veterans' affairs is established. The governor shall appoint	(
17	the director for a four (4) year term. However, the term of office of the	,
18	director terminates when the term of office of the governor terminates	
19	or when a successor to the director is appointed and qualified. The	
20	director must be:	
21	(1) an honorably discharged veteran who has at least six (6)	
22	months active service in the armed forces of the United States;	
23	and	
24	(2) a citizen of Indiana and a resident of Indiana for at least five	
25	(5) years immediately preceding the director's appointment.	
26	(b) The director is entitled to reimbursement for necessary traveling	
27	and other expenses.	'
28	(c) The governor may remove the director if the governor considers	
29	the director guilty of misconduct, incapability, or neglect of duty.	١
30	(d) The governor shall appoint an assistant director of veterans'	
31	affairs. The assistant director is entitled to receive reimbursement for	
32	necessary traveling and other expenses. The assistant director has the	
33	same qualifications as the director of veterans' affairs and shall assist	
34	the director in carrying out this chapter.	
35	SECTION 8. IC 10-17-1-6, AS AMENDED BY P.L.58-2006,	
36	SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
37	JULY 1, 2007]: Sec. 6. (a) The director of veterans' affairs:	
38	(1) is the executive and administrative head of the Indiana	
39	department of veterans' affairs; and	
40	(2) shall direct and supervise the administrative and technical	
41	activities of the department;	
42	subject to the general supervision of the commission.	



1	(b) The duties of the director include the following:
2	(1) To attend all meetings of the commission and to act as
3	secretary and keep minutes of the commission's proceedings.
4	(2) To appoint, by and with the consent of the commission, under
5	this chapter and notwithstanding IC 4-15-2, the employees of the
6	department necessary to carry out this chapter and to fix the
7	compensation of the employees. Employees of the department
8	must be:
9	(A) honorably discharged veterans who have had at least six
10	(6) months service in the armed forces of the United States and
11	who are citizens of the United States and Indiana; or
12	(B) spouses, surviving spouses, parents, or children of an
13	individual described in clause (A).
14	An employee must qualify for the job concerned.
15	(3) To carry out the program for veterans' affairs as directed by
16	the governor and the commission.
17	(4) To carry on field direction, inspection, and coordination of
18	county and city service officers as provided in this chapter.
19	(5) To prepare and conduct service officer training schools with
20	the voluntary aid and assistance of the service staffs of the major
21	veterans' organizations.
22	(6) To maintain an information bulletin service to county and city
23	service officers for the necessary dissemination of material
24	pertaining to all phases of veterans' rehabilitation and service
25	work.
26	(7) To perform the duties described in IC 10-17-11 for the Indiana
27	state veterans' cemetery.
28	(8) To perform the duties described in IC 10-17-12 for the
29	military family relief fund.
30	SECTION 9. IC 10-17-1-7 IS AMENDED TO READ AS
31	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The director of
32	veterans' affairs may act as agent of a veteran under (a) A power of
33	attorney authorizing the director to act action on behalf of the a veteran
34	in obtaining a benefit or an advantage for a veteran provided under
35	Indiana law must run to an authorized agency or individual
36	recognized by the United States Department of Veterans Affairs.
37	(b) A rule contrary to this section is void.
38	SECTION 10. IC 10-17-1-9 IS AMENDED TO READ AS
39	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A county
40	executive:
41	(1) shall designate and may employ a county service officer; and



(2) may employ service officer assistants;

1	to serve the veterans of the county.
2	(b) The fiscal body of a city may provide for the employment by the
3	mayor of a city service officer and service officer assistants to serve the
4	veterans of the city.
5	(c) If the remuneration and expenses of a county or city service
6	officer are paid from the funds of the county or city employing the
7	service officer, the service officer shall:
8	(1) have the same qualifications and be subject to the same rules
9	as other employees the director, assistant director, and state
10	service officers of the Indiana department of veterans' affairs;
11	and
12	(2) serve under the supervision of the director of veterans' affairs.
13	A service officer assistant must have the same qualifications as an
14	employee described in section 11(b) of this chapter. A rule contrary
15	to this subsection is void.
16	(d) County and city fiscal bodies may appropriate funds necessary
17	for the purposes described in this section.
18	SECTION 11. IC 10-17-1-11 IS ADDED TO THE INDIANA
19	CODE AS A NEW SECTION TO READ AS FOLLOWS
20	[EFFECTIVE JULY 1, 2007]: Sec. 11. (a) The following employees
21	of the Indiana department of veterans' affairs must satisfy the
22	requirements set forth in section 5(a) of this chapter:
23	(1) State service officers.
24	(2) Director of the state approving agency.
25	(3) Program directors of the state approving agency.
26	(4) Director of the Indiana state veterans' cemetery
27	established by IC 10-17-11-4.
28	(b) An employee of the Indiana department of veterans' affairs
29	not described in subsection (a) must:
30	(1) satisfy; or
31	(2) be the spouse, surviving spouse, parent, or child of a
32	person who satisfies;
33	the requirements set forth in section 5(a) of this chapter.
34	SECTION 12. IC 20-20-7-3, AS ADDED BY P.L.1-2005,
35	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36	JULY 1, 2007]: Sec. 3. As used in this chapter, "eligible veteran" refers
37	to an individual who has the following qualifications:
38	(1) Served as a member of the armed forces of the United States
39	at any time during at least one (1) of the following periods:
40	(A) Beginning April 6, 1917, and ending November 11, 1918
41	(World War I).
42	(B) Beginning December 7, 1941, and ending December 31,



1	1946 (World War II).	
2	(C) Beginning June 27, 1950, and ending January 31, 1955	
3	(Korean Conflict).	
4	(D) Beginning August 5, 1964, and ending May 7, 1975	
5	(Vietnam Conflict).	
6	(2) Before the military service described in subdivision (1):	
7	(A) attended a public or nonpublic high school in Indiana; and	
8	(B) was a student in good standing at the high school	
9	described in clause (A), to the satisfaction of the department	
0	of veterans' affairs.	4
1	(3) Did not graduate or receive a diploma because of leaving the	
2	high school described in subdivision (2) for the military service	•
3	described in subdivision (1).	
4	(4) Was honorably discharged from the armed forces of the	
5	United States.	
6	SECTION 13. IC 20-28-2-6, AS AMENDED BY SEA 526-2007,	
7	SECTION 203, IS AMENDED TO READ AS FOLLOWS	
8	[EFFECTIVE JULY 1, 2007]: Sec. 6. (a) Subject to subsection (c) and	
9	in addition to the powers and duties set forth in IC 20-20-22 or this	
0	article, the advisory board may adopt rules under IC 4-22-2 to do the	
1	following:	
2	(1) Set standards for teacher licensing and for the administration	
3	of a professional licensing and certification process by the	
4	department.	_
.5	(2) Approve or disapprove teacher preparation programs.	
6	(3) Set fees to be charged in connection with teacher licensing.	_
7	(4) Suspend, revoke, or reinstate teacher licenses.	
8	(5) Enter into agreements with other states to acquire reciprocal	`
9	approval of teacher preparation programs.	
0	(6) Set standards for teacher licensing concerning new subjects of	
1	study.	
2	(7) Evaluate work experience and military service concerning	
3	postsecondary education and experience equivalency.	
4	(8) Perform any other action that:	
5	(A) relates to the improvement of instruction in the public	
6	schools through teacher education and professional	
7	development through continuing education; and	
8	(B) attracts qualified candidates for teacher education from	
9	among the high school graduates of Indiana.	
0	(9) Set standards for endorsement of school psychologists as	
1	independent practice school psychologists under IC 20-28-12.	
-2	(b) Notwithstanding subsection (a)(1), an individual is entitled to	



1	one (1) year of occupational experience for purposes of obtaining an
2	occupational specialist certificate under this article for each year the
3	individual holds a license under IC 25-8-6.
4	(c) Before publishing notice of the intent to adopt a rule under
5	IC 4-22-2, the advisory board must submit the proposed rule to the
6	state superintendent for approval. If the state superintendent approves
7	the rule, the advisory board may publish notice of the intent to adopt
8	the rule. If the state superintendent does not approve the rule, the
9	advisory board may not publish notice of the intent to adopt the rule.
10	(d) The advisory board may adopt rules under IC 4-22-2,
11	including emergency rules under IC 4-22-2-37.1, to establish
12	procedures to expedite the issuance, renewal, or reinstatement
13	under this article of a license or certificate of a person whose
14	spouse serves on active duty (as defined in IC 25-1-12-2) and is
15	assigned to a duty station in Indiana. Before publishing notice of
16	the intent to adopt a permanent rule under IC 4-22-2, the advisory
17	board must comply with subsection (c).
18	SECTION 14. IC 21-12-4-2, AS ADDED BY SEA 526-2007,
19	SECTION 253, IS AMENDED TO READ AS FOLLOWS
20	[EFFECTIVE JULY 1, 2007]: Sec. 2. (a) A person is eligible for a
21	freedom of choice grant if the person qualifies under subsection (b)
22	or (c).
23	(b) A person qualifies for a freedom choice grant if:
24	(1) the person is qualified for a higher education award under the
25	terms of IC 21-12-3-1, IC 21-12-3-2, and IC 21-12-3-3 or
26	IC 21-12-3-4 and IC 21-12-3-5, even if lack of funds prevents the
27	award or grant;
28	(2) the person has a financial need that exceeds the award, as
29	determined in accordance with:
30	(A) this chapter, IC 21-11, IC 21-12-2, and IC 21-12-3; and
31	(B) the rules of the commission; and
32	(3) the person will attend an approved postsecondary educational
33	institution that:
34	(A) either:
35	(i) operates in Indiana, provides an organized two (2) year or
36	longer program of collegiate grade directly creditable toward
37	a baccalaureate degree, is operated by a nonprofit entity, and
38	is accredited by a recognized regional accrediting agency or
39	the commission on proprietary education; or
40	(ii) is a hospital that operates a nursing diploma program
41	that is accredited by the Indiana state board of nursing; and

(B) is operated privately and not administered or controlled by



1	any state agency or entity.
2	(c) A person qualifies for a freedom of choice grant if the
3	person:
4	(1) qualifies for a tuition exemption under IC 21-14-4 or
5	IC 21-14-10; and
6	(2) will attend an approved postsecondary educational
7	institution that:
8	(A) either:
9	(i) operates in Indiana, provides an organized two (2)
10	year or longer program of collegiate grade directly
11	creditable toward a baccalaureate degree, is operated by
12	a nonprofit entity, and is accredited by a recognized
13	regional accrediting agency or the commission on
14	proprietary education; or
15	(ii) is a hospital that operates a nursing diploma
16	program that is accredited by the Indiana state board of
17	nursing; and
18	(B) is operated privately and not administered or
19	controlled by any state agency or entity.
20	SECTION 15. IC 21-12-4-3, AS ADDED BY SEA 526-2007,
21	SECTION 253, IS AMENDED TO READ AS FOLLOWS
22	[EFFECTIVE JULY 1, 2007]: Sec. 3. Freedom of choice grant
23	renewals are governed by the same conditions as are set forth in
24	IC 21-12-3-9. However, the condition described in section
25	IC 21-12-3-9(3) does not apply to the renewal of a grant awarded
26	under section 2(c) of this chapter.
27	SECTION 16. IC 21-12-4-4, AS ADDED BY SEA 526-2007,
28	SECTION 253, IS AMENDED TO READ AS FOLLOWS
29	[EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in
30	subsection (b), the amount of a freedom of choice grant may not
31	exceed the difference between:
32	(1) the amount of the total financial need of the student, as
33	determined under the commission's rules; and
34	(2) the:
35	(A) higher education award made under IC 21-12-3-1,
36	IC 21-12-3-2, and IC 21-12-3-3 or IC 21-12-3-4 and
37	IC 21-12-3-5; or
38	(B) sum necessary to pay educational costs at the institution;
39	whichever is smaller.
40	(b) For freedom of choice grants awarded under section 2(c) of
41	this chapter, the amount of the grant may not exceed the statewide
42	average of educational costs assessed at all state educational



1	institutions, as determined by the commission.
2	SECTION 17. IC 21-13-1-4, AS ADDED BY SEA 526-2007,
3	SECTION 254, IS AMENDED TO READ AS FOLLOWS
4	[EFFECTIVE JULY 1, 2007]: Sec. 4. (a) "Eligible student", for
5	purposes of section 8 of this chapter, means a person who:
)	(1) either:
	(A) is a member of the Indiana National Guard who:
	(A) (i) is in active drilling status; and
	(B) (ii) who has not been absent without leave within the
	twelve (12) months immediately preceding the date the
	person applies for a tuition scholarship under this chapter;
	or
	(B) is a former member of the Indiana National Guard
	who was called to active duty at least one (1) time while a
	member of the Indiana National Guard;
	(2) does not possess a bachelor's degree from an approved
	postsecondary educational institution;
	(3) possesses the requisite academic qualifications;
	(4) meets the requirements of the state educational institution in
	which the person is enrolled or will enroll; and
	(5) meets all other eligibility requirements as determined by the
	commission.
	SECTION 18. IC 21-13-4-3, AS ADDED BY SEA 526-2007,
	SECTION 254, IS AMENDED TO READ AS FOLLOWS
	[EFFECTIVE JULY 1, 2007]: Sec. 3. Each scholarship awarded under
	this chapter:
	(1) may be renewed under this chapter for a total scholarship
	award that does not exceed the equivalent of eight (8) semesters;
	one hundred twenty-four (124) semester credit hours; and
	(2) is subject to other eligibility criteria as established by the
	commission.
	SECTION 19. IC 21-13-4-4 IS ADDED TO THE INDIANA CODE
	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
	1, 2007]: Sec. 4. (a) This section applies to an eligible student who
	was called to active duty at least one (1) time while a member of the
	Indiana National Guard.
	(b) After the eligible student ceases to be a member of the
	Indiana National Guard, the eligible student is entitled to have the
	eligible student's eligibility for tuition assistance extended for an
	amount of time equal to the amount of time the eligible student
	spent on active duty.
	SECTION 20 IC 21 14 1 2 3 IS ADDED TO THE INDIANA



1	CODE AS A NEW SECTION TO READ AS FOLLOWS	
2	[EFFECTIVE JULY 1, 2007]: Sec. 2.3. "Active duty" means:	
3	(1) for the purposes of IC 21-14-9, full-time service in the	
4	armed forces of the United States that exceeds thirty (30) days	
5	in a calendar year; and	
6	(2) for the purposes of IC 21-14-10, full-time service by an	
7	individual in the armed forces of the United States for the	
8	least of the following periods:	
9	(A) Twenty-four (24) consecutive months.	
10	(B) The entire period during which deployment orders are	
11	in effect for the individual.	
12	(C) Any period of service from which the individual is	
13	released due to a service connected disability.	
14	SECTION 21. IC 21-14-1-2.5 IS ADDED TO THE INDIANA	
15	CODE AS A NEW SECTION TO READ AS FOLLOWS	
16	[EFFECTIVE JULY 1, 2007]: Sec. 2.5. "Alternative financial aid"	
17	means, for the purposes of IC 21-14-10, any need or merit based	
18	financial aid, from any source, for payment of tuition or fees at a	
19	state educational institution. The term does not include an	
20	application for a tuition and fee exemption provided by this	
21	chapter.	
22	SECTION 22. IC 21-14-1-2.7 IS ADDED TO THE INDIANA	U
23	CODE AS A NEW SECTION TO READ AS FOLLOWS	
24	[EFFECTIVE JULY 1, 2007]: Sec. 2.7. "Armed forces of the United	_
25	States" means the following:	
26	(1) For the purposes of IC 21-14-9:	_
27	(A) The United States Air Force.	
28	(B) The United States Army.	Y
29	(C) The United States Coast Guard.	
30	(D) The United States Marine Corps.	
31	(E) The United States Navy.	
32	(2) For the purposes of IC 21-16-10, armed forces (as defined	
33	in IC 5-9-4-3).	
34	SECTION 23. IC 21-14-1-3.5 IS ADDED TO THE INDIANA	
35	CODE AS A NEW SECTION TO READ AS FOLLOWS	
36	[EFFECTIVE JULY 1, 2007]: Sec. 3.5. "Department" refers, for the	
37	purposes of IC 21-14-10, to the Indiana department of veterans'	
38	affairs established by IC 10-17-1-2.	
39	SECTION 24. IC 21-14-1-5.7 IS ADDED TO THE INDIANA	
40	CODE AS A NEW SECTION TO READ AS FOLLOWS	
41	[EFFECTIVE JULY 1, 2007]: Sec. 5.7. "National Guard", for the	
42	purposes of IC 21-14-10, has the meaning set forth in IC 5-9-4-4.	



1	SECTION 25. IC 21-14-9 IS ADDED TO THE INDIANA CODE	
2	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE	
3	JULY 1, 2007]:	
4	Chapter 9. Resident Tuition for Active Duty Military Personnel	
5	Sec. 1. Notwithstanding any other statute, a person who:	
6	(1) is a nonresident of Indiana;	
7	(2) serves on active duty;	
8	(3) is stationed in Indiana; and	
9	(4) attends a state educational institution;	
10	is eligible to pay the resident tuition rate determined by the state	
11	educational institution for courses taken by the person while the	
12	person continues to satisfy the criteria set forth in subdivisions (2)	
13	and (3).	
14	Sec. 2. A dependent of a person described in section 1 of this	
15	chapter is eligible to pay the resident tuition rate determined by the	
16	state educational institution for courses taken by the dependent for	
17	the duration of the dependent's enrollment at the state educational	U
18	institution.	
19	SECTION 26. IC 21-14-10 IS ADDED TO THE INDIANA CODE	
20	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE	
21	JULY 1, 2007]:	
22	Chapter 10. Tuition Exemption for Veterans	
23	Sec. 1. An individual who:	
24	(1) lists Indiana as the individual's state of residence when the	
25	individual enlists in the armed forces of the United States or	
26	the National Guard;	
27	(2) suffers while serving on active duty a service connected	
28	disability as determined by the United States Department of	V
29	Veterans Affairs or the United States Department of Defense;	
30	(3) serves any part of the individual's service on active duty:	
31	(A) after September 10, 2001; and	
32	(B) before a date to be set by presidential proclamation	
33	or federal law as the conclusion of the war on terror	
34	described in the presidential address to a joint session of	
35	Congress on September 20, 2001;	
36	(4) receives any discharge or separation from the armed	
37	forces of the United States or the National Guard other than	
38	a dishonorable discharge;	
39	(5) is eligible to pay the resident tuition rate (as determined by	
40	the institution) at the state educational institution the person	
41	will attend;	
42	(6) possesses the requisite academic qualifications for	



1	enrollment in the state educational institution the person will
2	attend; and
3	(7) provides proof, as required by the state student assistance
4	commission, that the individual has attempted to obtain
5	alternative financial aid;
6	is exempt from the payment of tuition and mandatory fees for one
7	hundred twenty-four (124) semester credit hours at the state
8	educational institution in which the individual is enrolled or will
9	enroll.
10	Sec. 2. For purposes of section 1(7) of this chapter, the state
11	student assistance commission:
12	(1) must provide notice in writing to individuals seeking a
13	tuition exemption under this chapter of the proof required
14	under section 1(7) of this chapter; and
15	(2) may establish requirements concerning the type and
16	amount of alternative financial aid that an individual must
17	attempt to obtain before the individual may receive a tuition
18	exemption under this chapter.
19	Sec. 3. For purposes of this chapter, the commission for higher
20	education shall define the mandatory fees in consultation with the
21	state student assistance commission.
22	Sec. 4. If an individual who qualifies for or is receiving the
23	tuition exemption under this chapter receives financial assistance
24	from:
25	(1) a program under federal law;
26	(2) other tuition exemptions under IC 21-14-4 or IC 21-14-7;
27	(3) the National Guard tuition supplement program under
28	IC 21-13-4; or
29	(4) any other source, including private sources;
30	that is specifically designated for tuition and mandatory fees at the
31	state educational institution, the state educational institution shall
32	deduct the amount of the financial assistance specifically
33	designated for tuition and mandatory fees from the amount of the
34	individual's tuition exemption under this chapter.
35	Sec. 5. If an individual who qualifies for or is receiving the
36	tuition exemption under this chapter earns or is awarded a cash
37	scholarship from any source that is paid or payable to the state
38	educational institution in which the individual is enrolled or will
39	enroll, the state educational institution shall credit the amount of
40	the cash scholarship to the individual for the payment of incidental
41	expenses incurred by the individual in attending the state

educational institution, with the balance, if any, of the award, if the



1	terms of the scholarship permit, paid to the individual.
2	Sec. 6. (a) The department shall determine whether an
3	individual is eligible for the tuition exemption under this chapter.
4	(b) An applicant for the tuition exemption shall make a written
5	request to the director of the department for a determination of the
6	individual's eligibility.
7	(c) The director of the department shall make a written
8	determination of an applicant's eligibility in response to a request
9	under subsection (b).
0	(d) An applicant may appeal in writing an adverse
1	determination under subsection (c) to the veterans' affairs
2	commission established by IC 10-17-1-3 not more than fifteen (15)
.3	business days after the date the applicant receives the
4	determination.
.5	(e) The veterans' affairs commission shall issue a final order not
6	more than fifteen (15) business days after the veterans' affairs
7	commission receives a written appeal under subsection (d).
8	Sec. 7. A person who knowingly or intentionally submits a false
9	or misleading application or other document under this chapter
20	commits a Class A misdemeanor.
2.1	SECTION 27. IC 25-1-9-20 IS ADDED TO THE INDIANA CODE
22	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
23	1, 2007]: Sec. 20. The board may adopt rules under IC 4-22-2,
24	including emergency rules under IC 4-22-2-37.1, to establish
25	procedures to expedite the issuance or renewal of a:
26	(1) license;
27	(2) certificate;
28	(3) registration; or
29	(4) permit;
0	of a person whose spouse serves on active duty (as defined in
31	IC 25-1-12-2) and is assigned to a duty station in Indiana.
32	SECTION 28. IC 25-1-11-21 IS ADDED TO THE INDIANA
3	CODE AS A NEW SECTION TO READ AS FOLLOWS
34	[EFFECTIVE JULY 1, 2007]: Sec. 21. The board may adopt rules
35	under IC 4-22-2, including emergency rules under IC 4-22-2-37.1,
66	to establish procedures to expedite the issuance or renewal of a:
37	(1) license;
8	(2) certificate;
9	(3) registration; or
10	(4) permit;
1	of a person whose spouse serves on active duty (as defined in
12	IC 25-1-12-2) and is assigned to a duty station in Indiana.



1	SECTION 29. [EFFECTIVE JULY 1, 2007] IC 6-3-1-3.5 and	
2	IC 6-3-2-4, both as amended by this act, apply to taxable years	
3	beginning after December 31, 2007.	
4	SECTION 30. [EFFECTIVE JULY 1, 2007] IC 10-17-1-5 and	
5	IC 10-17-1-9, both as amended by this act, and IC 10-17-1-11, as	
6	added by this act, apply to employees who begin employment with:	
7	(1) the Indiana department of veterans' affairs; or	
8	(2) a county or a city under IC 10-17-1-9, as amended by this	
9	act;	
10	as applicable, after June 30, 2007.	



SENATE MOTION

Madam President: I move that Senators Simpson, Lewis, Boots, Merritt, Kruse, Paul, Becker and Heinold be added as coauthors of Senate Bill 480.

WYSS

COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Transportation and Veterans Affairs, to which was referred Senate Bill No. 480, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 10, line 36, after "duty;" insert "and".

Page 10, line 37, delete "and".

Page 10, delete line 38.

Page 10, line 40, delete "institution." and insert "institution for courses taken by the person and the person's dependents.".

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 480 as introduced.)

WYSS, Chairperson

Committee Vote: Yeas 9, Nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 480, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning military affairs.

Page 9, delete lines 32 through 42.

Page 10, delete lines 1 through 16.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 480 as printed February 9, 2007.)

MEEKS, Chairperson

Committee Vote: Yeas 12, Nays 0.

SENATE MOTION

Madam President: I move that Senators Landske and Alting be added as coauthors of Engrossed Senate Bill 480.

WYSS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Veterans Affairs and Public Safety, to which was referred Senate Bill 480, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 9, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 6. IC 10-17-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The position of director of veterans' affairs is established. The governor shall appoint the director for a four (4) year term. However, the term of office of the director terminates when the term of office of the governor terminates or when a successor to the director is appointed and qualified. The

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director must be:

- (1) an honorably discharged veteran who has at least six (6) months **active** service in the armed forces of the United States; and
- (2) a citizen of Indiana and a resident of Indiana for at least five
- (5) years immediately preceding the director's appointment.
- (b) The director is entitled to reimbursement for necessary traveling and other expenses.
- (c) The governor may remove the director if the governor considers the director guilty of misconduct, incapability, or neglect of duty.
- (d) The governor shall appoint an assistant director of veterans' affairs. The assistant director is entitled to receive reimbursement for necessary traveling and other expenses. The assistant director has the same qualifications as the director of veterans' affairs and shall assist the director in carrying out this chapter.

SECTION 7. IC 10-17-1-6, AS AMENDED BY P.L.58-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The director of veterans' affairs:

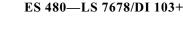
- (1) is the executive and administrative head of the **Indiana** department of veterans' affairs; and
- (2) shall direct and supervise the administrative and technical activities of the department;

subject to the general supervision of the commission.

- (b) The duties of the director include the following:
 - (1) To attend all meetings of the commission and to act as secretary and keep minutes of the commission's proceedings.
 - (2) To appoint, by and with the consent of the commission, under this chapter and notwithstanding IC 4-15-2, the employees of the department necessary to carry out this chapter and to fix the compensation of the employees. Employees of the department must be:
 - (A) honorably discharged veterans who have had at least six (6) months service in the armed forces of the United States and who are citizens of the United States and Indiana; or
 - (B) spouses, surviving spouses, parents, or children of an individual described in clause (A).

An employee must qualify for the job concerned.

- (3) To carry out the program for veterans' affairs as directed by the governor and the commission.
- (4) To carry on field direction, inspection, and coordination of county and city service officers as provided in this chapter.
- (5) To prepare and conduct service officer training schools with











the voluntary aid and assistance of the service staffs of the major veterans' organizations.

- (6) To maintain an information bulletin service to county and city service officers for the necessary dissemination of material pertaining to all phases of veterans' rehabilitation and service work.
- (7) To perform the duties described in IC 10-17-11 for the Indiana state veterans' cemetery.
- (8) To perform the duties described in IC 10-17-12 for the military family relief fund.

SECTION 8. IC 10-17-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The director of veterans' affairs may act as agent of a veteran under (a) A power of attorney authorizing the director to act action on behalf of the a veteran in obtaining a benefit or an advantage for a veteran provided under Indiana law must run to an authorized agency or individual recognized by the United States Department of Veterans Affairs.

(b) A rule contrary to this section is void.

SECTION 9. IC 10-17-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A county executive:

- (1) shall designate and may employ a county service officer; and
- (2) may employ service officer assistants; to serve the veterans of the county.
- (b) The fiscal body of a city may provide for the employment by the mayor of a city service officer and service officer assistants to serve the veterans of the city.
- (c) If the remuneration and expenses of a county or city service officer are paid from the funds of the county or city employing the service officer, the service officer shall:
 - (1) have the same qualifications and be subject to the same rules as other employees the director, assistant director, and state service officers of the Indiana department of veterans' affairs; and
- (2) serve under the supervision of the director of veterans' affairs. A service officer assistant must have the same qualifications as an employee described in section 11(b) of this chapter. A rule contrary to this subsection is void.
- (d) County and city fiscal bodies may appropriate funds necessary for the purposes described in this section.

SECTION 10. IC 10-17-1-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS











[EFFECTIVE JULY 1, 2007]: Sec. 11. (a) The following employees of the Indiana department of veterans' affairs must satisfy the requirements set forth in section 5(a) of this chapter:

- (1) State service officers.
- (2) Director of the state approving agency.
- (3) Program directors of the state approving agency.
- (4) Director of the Indiana state veterans' cemetery established by IC 10-17-11-4.
- (b) An employee of the Indiana department of veterans' affairs not described in subsection (a) must:
 - (1) satisfy; or
 - (2) be the spouse, surviving spouse, parent, or child of a person who satisfies;

the requirements set forth in section 5(a) of this chapter.".

Page 10, delete lines 1 through 13.

Page 10, line 38, delete "ADDED BY P.L.246-2005," and insert "AMENDED BY SEA 526-2007, SECTION 203,".

Page 10, line 39, delete "SECTION 142,".

Page 11, line 13, delete "higher" and insert "postsecondary".

Page 11, between lines 39 and 40, begin a new paragraph and insert: "SECTION 14. IC 21-14-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 9. Resident Tuition for Active Duty Military Personnel Sec. 1. As used in this chapter, "active duty" means full-time service in the armed forces of the United States that exceeds thirty (30) days in a calendar year.

Sec. 2. As used in this chapter, "armed forces of the United States" means any of the following:

- (1) The United States Air Force.
- (2) The United States Army.
- (3) The United States Coast Guard.
- (4) The United States Marine Corps.
- (5) The United States Navy.

Sec. 3. As used in this chapter, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

Sec. 4. (a) Notwithstanding any other statute, a person who:

- (1) is a nonresident of Indiana;
- (2) serves on active duty;
- (3) is stationed in Indiana; and
- (4) attends a state educational institution;

is eligible to pay the resident tuition rate determined by the state

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educational institution for courses taken by the person while the person continues to satisfy the criteria set forth in subdivisions (2) and (3).

(b) A dependent of a person described in subsection (a) is eligible to pay the resident tuition rate determined by the state educational institution for courses taken by the dependent for the duration of the dependent's enrollment at the state educational institution.".

Page 12, after line 22, begin a new paragraph and insert:

"SECTION 18. [EFFECTIVE JULY 1, 2007] IC 10-17-1-5 and IC 10-17-1-9, both as amended by this act, and IC 10-17-1-11, as added by this act, apply to employees who begin employment with:

- (1) the Indiana department of veterans' affairs; or
- (2) a county or a city under IC 10-17-1-9, as amended by this act;

as applicable, after June 30, 2007.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 480 as printed February 16, 2007.)

TINCHER, Chair

Committee Vote: yeas 8, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 480, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 19, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 480 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new

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paragraph and insert:

"SECTION 1. IC 5-10.4-4-8, AS AMENDED BY P.L.119-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This subsection applies to a member who retires before July 1, 1980. A member who had completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if before or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter.

- (b) This subsection applies to a member who retires after June 30, 1980. A member who completed four (4) years of approved college teacher education before voluntary or involuntary induction into military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if the following conditions are met:
 - (1) The member has an honorable discharge.
 - (2) Except as provided in subsection (e), the member returns to active teaching service not later than eighteen (18) twenty-four (24) months after the completion of active military service.
 - (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

- (c) This subsection applies to a member who retires after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:
 - (1) The member has an honorable discharge.
 - (2) Except as provided in subsection (e), the member returns to a











four (4) year approved college teacher training program not later than eighteen (18) twenty-four (24) months after the completion of active military service and subsequently completes that program.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

- (d) This subsection applies to a member who retires after May 1, 1991, and who is employed at a state institution of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate education before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:
 - (1) The member received an honorable discharge.
 - (2) Except as provided in subsection (e), the member returns to baccalaureate or post-baccalaureate education not later than eighteen (18) twenty-four (24) months after completion of active military service and subsequently completes that education.
 - (3) The member has at least ten (10) years of in-state service credit.

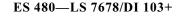
The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

- (e) The board shall extend the eighteen (18) twenty-four (24) month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher education program not later than eighteen (18) twenty-four (24) months after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.
- (f) If a member retires and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (e), the board shall recompute the











member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

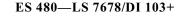
- (g) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the federal Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.
- (h) Subject to this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:
 - (1) The member has at least one (1) year of credited service in the fund.
 - (2) The member serves on active duty in the armed services of the United States for at least six (6) months.
 - (3) The member receives an honorable discharge from the armed services.
 - (4) Before the member retires, the member makes contributions to the fund as follows:
 - (A) Contributions that are equal to the product of:
 - (i) the member's salary at the time the member actually makes a contribution for the service credit;
 - (ii) a rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; and
 - (iii) the number of years of service credit the member intends to purchase.
 - (B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who











terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

- (i) The following apply to the purchase of service credit under subsection (h):
 - (1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.
 - (2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.
 - (3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.
- (j) This subsection applies to a member who retires after June 30, 2006. A member may not receive credit under this section for service for which the member receives service credit under the terms of a military or another governmental retirement plan.
- (k) Notwithstanding any provision of this section, a member who:
 - (1) has at least ten (10) years of in-state teaching service;
 - (2) served on active duty in the armed forces of the United States before February 1, 1955;
 - (3) received an honorable discharge;
 - (4) is not entitled to receive a pension for service in the armed forces of the United States; and
 - (5) is not entitled to military service credit under subsections
 - (a) through (g) for purposes of determining eligibility for or the computation of benefits under this chapter;

is entitled to service credit in an amount equal to the duration of the member's military service. However, not more than six (6) years of service credit may be granted under this subsection. The service credit may be used only in the computation of benefits to be paid after June 30, 2007, and only after the board determines that











the member is eligible for the service credit.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 480 as printed April 6, 2007.)

RESKE

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 480 be amended to read as follows:

Page 13, delete lines 36 through 39, begin a new paragraph and insert:

"SECTION 13. IC 21-13-1-4, AS ADDED BY SEA 526-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. "Eligible student", for purposes of section 8 of this chapter, means a person who

(1) either:

- (A) is a member of the Indiana National Guard:
 - (A) (i) in active drilling status; and
 - (B) (ii) who has not been absent without leave within the twelve (12) months immediately preceding the date the person applies for a tuition scholarship under this chapter; or
- (B) a former member of the Indiana National Guard who was called to active duty at least one (1) time while a member of the Indiana National Guard;
- (2) does not possess a bachelor's degree from an approved postsecondary educational institution;
- (3) possesses the requisite academic qualifications;
- (4) meets the requirements of the state educational institution in which the person is enrolled or will enroll; and
- (5) meets all other eligibility requirements as determined by the commission.

SECTION 14. IC 21-13-4-3, AS ADDED BY SEA 526-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. Each scholarship awarded under this chapter:

- (1) may be renewed under this chapter for a total scholarship award that does not exceed the equivalent of eight (8) semesters; one hundred twenty-four (124) semester credit hours; and
- (2) is subject to other eligibility criteria as established by the









commission.

SECTION 15. IC 21-13-4-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) This section applies to an eligible student who was called to active duty at least one (1) time while a member of the Indiana National Guard.

(b) After the eligible student ceases to be a member of the Indiana National Guard, the eligible student is entitled to have the eligible student's eligibility for tuition assistance extended for an amount of time equal to the amount of time the eligible student spent on active duty."

Page 13, line 40, delete "Sec. 1. As used in this chapter, "active" and insert "SECTION 16. IC 21-14-1-2.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2.3. "Active"**.

Page 14, line 1, delete "Sec. 2. As used in this chapter, "armed" and insert "SECTION 17. IC 21-14-1-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2.7. "Armed**".

Page 14, delete lines 8 through 9, begin a new paragraph and insert: "SECTION 18. IC 21-14-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 9. Resident Tuition for Active Duty Military Personnel".

Page 14, line 10, delete "4. (a)" and insert "1.".

Page 14, line 19, delete "(b)" and insert "Sec. 2.".

Page 14, line 19, delete "subsection (a)" and insert "section 1 of this chapter".

Renumber all SECTIONS consecutively.

(Reference is to ESB 480 as printed April 6, 2007.)

AVERY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 480 be amended to read as follows:

Page 13, delete lines 36 through 39, begin a new paragraph and insert:











"SECTION 13. IC 21-12-4-2, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) A person is eligible for a freedom of choice grant if the person qualifies under subsection (b) or (c).

(b) A person qualifies for a freedom choice grant if:

- (1) the person is qualified for a higher education award under the terms of IC 21-12-3-1, IC 21-12-3-2, and IC 21-12-3-3 or IC 21-12-3-4 and IC 21-12-3-5, even if lack of funds prevents the award or grant;
- (2) the person has a financial need that exceeds the award, as determined in accordance with:
 - (A) this chapter, IC 21-11, IC 21-12-2, and IC 21-12-3; and
 - (B) the rules of the commission; and
- (3) the person will attend an approved postsecondary educational institution that:

(A) either:

- (i) operates in Indiana, provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree, is operated by a nonprofit entity, and is accredited by a recognized regional accrediting agency or the commission on proprietary education; or
- (ii) is a hospital that operates a nursing diploma program that is accredited by the Indiana state board of nursing; and (B) is operated privately and not administered or controlled by any state agency or entity.
- (c) A person qualifies for a freedom of choice grant if the person:
 - (1) qualifies for a tuition exemption under IC 21-14-4 or IC 21-14-10; and
 - (2) will attend an approved postsecondary educational institution that:

(A) either:

- (i) operates in Indiana, provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree, is operated by a nonprofit entity, and is accredited by a recognized regional accrediting agency or the commission on proprietary education; or
- (ii) is a hospital that operates a nursing diploma program that is accredited by the Indiana state board of nursing; and

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(B) is operated privately and not administered or controlled by any state agency or entity.

SECTION 14. IC 21-12-4-3, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. Freedom of choice grant renewals are governed by the same conditions as are set forth in IC 21-12-3-9. However, the condition described in section IC 21-12-3-9(3) does not apply to the renewal of a grant awarded under section 2(c) of this chapter.

SECTION 15. IC 21-12-4-4, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (b), the amount of a freedom of choice grant may not exceed the difference between:

- (1) the amount of the total financial need of the student, as determined under the commission's rules; and
- (2) the
 - (A) higher education award made under IC 21-12-3-1, IC 21-12-3-2, and IC 21-12-3-3 or IC 21-12-3-4 and IC 21-12-3-5; or
- (B) sum necessary to pay educational costs at the institution; whichever is smaller.
- (b) For freedom of choice grants awarded under section 2(c) of this chapter, the amount of the grant may not exceed the statewide average of educational costs assessed at all state educational institutions, as determined by the commission.

SECTION 16. IC 21-13-1-4, AS ADDED BY SEA 526-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) "Eligible student", for purposes of section 8 of this chapter, means a person who:

- (1) either:
 - (A) is a member of the Indiana National Guard who:
 - (A) (i) is in active drilling status; and
 - (B) (ii) who has not been absent without leave within the twelve (12) months immediately preceding the date the person applies for a tuition scholarship under this chapter; or
 - (B) is a former member of the Indiana National Guard who was called to active duty at least one (1) time while a member of the Indiana National Guard;
- (2) does not possess a bachelor's degree from an approved postsecondary educational institution;











- (3) possesses the requisite academic qualifications;
- (4) meets the requirements of the state educational institution in which the person is enrolled or will enroll; and
- (5) meets all other eligibility requirements as determined by the commission.

SECTION 17. IC 21-13-4-3, AS ADDED BY SEA 526-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. Each scholarship awarded under this chapter:

- (1) may be renewed under this chapter for a total scholarship award that does not exceed the equivalent of eight (8) semesters; one hundred twenty-four (124) semester credit hours; and
- (2) is subject to other eligibility criteria as established by the commission.

SECTION 18. IC 21-13-4-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) This section applies to an eligible student who was called to active duty at least one (1) time while a member of the Indiana National Guard.

(b) After the eligible student ceases to be a member of the Indiana National Guard, the eligible student is entitled to have the eligible student's eligibility for tuition assistance extended for an amount of time equal to the amount of time the eligible student spent on active duty.".

Page 13, line 40, delete "Sec. 1. As used in this chapter, "active", and insert "SECTION 19. IC 21-14-1-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

- - individual in the armed forces of the United States for the least of the following periods:
 - (A) Twenty-four (24) consecutive months.
 - (B) The entire period during which deployment orders are in effect for the individual.
 - (C) Any period of service from which the individual is released due to a service connected disability.

SECTION 20. IC 21-14-1-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. "Alternative financial aid"

[EFFECTIVE JULY 1, 2007]: Sec. 2.3. "Active". Page 13, line 40, delete "means" and insert "means: (1) for the purposes of IC 21-14-9,". Page 13, line 42, delete "." and insert "; and (2) for the purposes of IC 21-14-10, full-time service by an











means, for the purposes of IC 21-14-10, any need or merit based financial aid, from any source, for payment of tuition or fees at a state educational institution. The term does not include an application for a tuition and fee exemption provided by this chapter."

Page 14, line 1, delete "Sec. 2. As used in this chapter, "armed" and insert "SECTION 21. IC 21-14-1-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2.7. "Armed"**.

Page 14, line 2, delete "any of the following:" and insert "the following:

(1) For the purposes of IC 21-14-9,".

Page 14, line 3, delete "(1)", begin a new line double block indented and insert:

"(A)".

Page 14, line 4, delete "(2)", begin a new line double block indented and insert:

"(B)".

Page 14, line 5, delete "(3)", begin a new line double block indented and insert:

"(C)".

Page 14, line 6, delete "(4)", begin a new line double block indented and insert:

"(D)".

Page 14, line 7, delete "(5)", begin a new line double block indented and insert:

"(E)".

Page 14, between lines 7 and 8, begin a new line block indented and insert:

"(2) For the purposes of IC 21-16-10, armed forces (as defined in IC 5-9-4-3).

Page 14, delete lines 8 through 9, begin a new paragraph and insert: "SECTION 22. IC 21-14-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.5. "Department" refers, for the purposes of IC 21-14-10, to the Indiana department of veterans' affairs established by IC 10-17-1-2.

SECTION 23. IC 21-14-1-5.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.7. "National Guard", for the purposes of IC 21-14-10, has the meaning set forth in IC 5-9-4-4.

SECTION 24. IC 21-14-9 IS ADDED TO THE INDIANA CODE

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AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 9. Resident Tuition for Active Duty Military Personnel".

Page 14, line 10, delete "4. (a)" and insert "1.".

Page 14, line 19, delete "(b)" and insert "Sec. 2.".

Page 14, line 19, delete "subsection (a)" and insert "section 1 of this chapter".

Page 14, between lines 23 and 24, begin a new paragraph and insert: SECTION 25. IC 21-14-10 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 10. Tuition Exemption for Veterans

Sec. 1. An individual who:

- (1) lists Indiana as the individual's state of residence when the individual enlists in the armed forces of the United States or the National Guard;
- (2) suffers while serving on active duty a service connected disability as determined by the United States Department of Veterans Affairs or the United States Department of Defense;
- (3) serves any part of the individual's service on active duty:
 - (A) after September 10, 2001; and
 - (B) before a date to be set by presidential proclamation or federal law as the conclusion of the war on terror described in the presidential address to a joint session of Congress on September 20, 2001;
- (4) receives any discharge or separation from the armed forces of the United States or the National Guard other than a dishonorable discharge;
- (5) is eligible to pay the resident tuition rate (as determined by the institution) at the state educational institution the person will attend;
- (6) possesses the requisite academic qualifications for enrollment in the state educational institution the person will attend; and
- (7) provides proof, as required by the state student assistance commission, that the individual has attempted to obtain alternative financial aid;

is exempt from the payment of tuition and mandatory fees for one hundred twenty-four (124) semester credit hours at the state educational institution in which the individual is enrolled or will enroll.

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- Sec. 2. For purposes of section 1(7) of this chapter, the state student assistance commission:
 - (1) must provide notice in writing to individuals seeking a tuition exemption under this chapter of the proof required under section 1(7) of this chapter; and
 - (2) may establish requirements concerning the type and amount of alternative financial aid that an individual must attempt to obtain before the individual may receive a tuition exemption under this chapter.
- Sec. 3. For purposes of this chapter, the commission for higher education shall define the mandatory fees in consultation with the state student assistance commission.
- Sec. 4. If an individual who qualifies for or is receiving the tuition exemption under this chapter receives financial assistance from:
 - (1) a program under federal law;
 - (2) other tuition exemptions under IC 21-14-4 or IC 21-14-7;
 - (3) the National Guard tuition supplement program under IC 21-13-4; or
 - (4) any other source, including private sources;
- that is specifically designated for tuition and mandatory fees at the state educational institution, the state educational institution shall deduct the amount of the financial assistance specifically designated for tuition and mandatory fees from the amount of the individual's tuition exemption under this chapter.
- Sec. 5. If an individual who qualifies for or is receiving the tuition exemption under this chapter earns or is awarded a cash scholarship from any source that is paid or payable to the state educational institution in which the individual is enrolled or will enroll, the state educational institution shall credit the amount of the cash scholarship to the individual for the payment of incidental expenses incurred by the individual in attending the state educational institution, with the balance, if any, of the award, if the terms of the scholarship permit, paid to the individual.
- Sec. 6. (a) The department shall determine whether an individual is eligible for the tuition exemption under this chapter.
- (b) An applicant for the tuition exemption shall make a written request to the director of the department for a determination of the individual's eligibility.
- (c) The director of the department shall make a written determination of an applicant's eligibility in response to a request under subsection (b).

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- (d) An applicant may appeal in writing an adverse determination under subsection (c) to the veterans' affairs commission established by IC 10-17-1-3 not more than fifteen (15) business days after the date the applicant receives the determination.
- (e) The veterans' affairs commission shall issue a final order not more than fifteen (15) business days after the veterans' affairs commission receives a written appeal under subsection (d).
- Sec. 7. A person who knowingly or intentionally submits a false or misleading application or other document under this chapter commits a Class A misdemeanor.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 480 as printed April 6, 2007.)

AVERY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 480 be amended to read as follows:

Page 9, line 16, strike "the first".

Page 9, line 16, delete "five".

Page 9, line 16, strike "thousand".

Page 9, line 17, strike "dollars".

Page 9, line 17, delete "(\$5,000)".

Page 9, line 17, strike "of".

Page 9, line 23, delete "." and insert "as follows:

- (1) For the taxable year beginning in 2008, the greater of five thousand dollars (\$5,000) or twelve and five-tenths percent (12.5%) of the individual's income described in this subsection.
- (2) For the taxable year beginning in 2009, the greater of five thousand dollars (\$5,000) or twenty-five percent (25%) of the individual's income described in this subsection.
- (3) For the taxable year beginning in 2010, the greater of five thousand dollars (\$5,000) or thirty-seven and five-tenths percent (37.5%) of the individual's income described in this subsection.
- (4) For the taxable year beginning in 2011, the greater of five thousand dollars (\$5,000) or fifty percent (50%) of the individual's income described in this subsection.

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- (5) For the taxable year beginning in 2012, the greater of five thousand dollars (\$5,000) or sixty-two and five-tenths percent (62.5%) of the individual's income described in this subsection.
- (6) For the taxable year beginning in 2013, the greater of five thousand dollars (\$5,000) or seventy-five percent (75%) of the individual's income described in this subsection.
- (7) For the taxable year beginning in 2014, the greater of five thousand dollars (\$5,000) or eighty-seven and five-tenths percent (87.5%) of the individual's income described in this subsection.
- (8) For taxable years beginning in 2015 and thereafter, one hundred percent (100%) of the individual's income described in this subsection.".

Page 9, line 23, beginning with "However," begin a new line blocked left.

(Reference is to ESB 480 as printed April 6, 2007.)

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